

**REMARKS**

In the Office Action mailed January 8, 2007 (hereinafter, "Office Action"), the Examiner rejected claims 1-12 under 35 U.S.C. § 112, second paragraph as allegedly being indefinite; rejected claims 1-9, 12-16, and 18-26 under 35 U.S.C. §102(b) as being anticipated by U.S. Patent No. 5,483,049 to Schulze, Jr. et al. (hereinafter, "*Schulze*"); and rejected claims 10, 11, and 17 under 35 U.S.C. § 103(a) as being unpatentable over *Schulze*.

By this amendment, Applicants have amended claims 1 and 13. No new matter has been added. Accordingly, claims 1-26 remain pending.

In light of the foregoing amendments and based on the arguments presented below, Applicants respectfully traverse the rejections of the claims under 35 U.S.C. §§ 112, 102(b), and 103(a), and request the allowance of pending claims 1-26.

**I. Rejection Under 35 U.S.C. § 112, Second Paragraph**

Claims 1-12 stand rejected under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite. While Applicants respectfully disagree with the characterizations and assertions presented in the Office Action, Applicants have amended claim 1 to expedite prosecution.

Accordingly, Applicants request the rejection of claims 1-12 under 35 U.S.C. § 112, second paragraph, be withdrawn and the claims allowed.

**II. Rejections Under 35 U.S.C. § 102(b)**

Applicants respectfully traverse the rejection of claims 1-9, 12-16, and 18-26 under 35 U.S.C. § 102(b) as being anticipated by *Schulze*. A proper anticipation rejection requires each and every element set forth in the claim be found, either

expressly or inherently described, in a single prior art reference. *M.P.E.P.* § 2131.

However, as explained below, the anticipation rejection set forth in the Office Action does not properly establish that each and every claimed element of the rejected claims is found in *Schulze*.

*Schulze* is directed towards "a system for facilitating the generation, redemption and exchange of coupons whereby the invention is useful as an intermediary between coupon distributors, retailers and consumers." *Schulze*, col. 1, ll. 5-8. In the *Schulze* system, "a consumer inserts, for example, a conventional coupon 36 obtained from a newspaper into input slot 78a of coupon input unit 76a and subsequently a coupon exchange coupon 40 is output . . . ." *Id.* at col. 5, ll. 21-25. "The coupon exchange coupon 40 includes a cash rebate amount 900, an expiration date 904, a product description 908 describing the product for which the coupon applies . . . [and] any game and/or bonus prize area 920 that may be provided on coupon 40." *Id.* at col. 5, ll. 45-54 (emphasis added). "Once all products for a consumer transaction have been scanned by the product bar code scanner 56 (FIG. 1), and all coupon exchange coupons 40 for this transaction have been entered . . . then an operator interacts with an operator interface unit 256 for initiating the activation of a program to determine the amount of each check 48 to be printed and presented to the consumer." *Id.* at col. 9, ll. 57-63.

#### **A. Claims 1-9 and 22-26**

*Schulze* fails to teach, *inter alia*, "analyzing a group of merchants . . . to identify a merchant for associating with a partnership check," as recited in independent claim

1. The Examiner asserts that "[*Schulze*] teaches . . . exchange coupons 40 and

redemption checks 48, either of which reads on 'partnership checks' . . . ." Office Action, page 2. Further, the Examiner asserts that *Schulze* teaches "analyzing a group of merchants based on a set of merchant qualification criteria (e.g., in a particular geographic region) to identify a merchant for associating with an exchange coupon 40/partnership check . . . ." *Id.* at page 3. However, these assertions are incorrect. Indeed, the passages cited by the Examiner contradict the Examiner's position.

For example, *Schulze* discloses that "[i]n the preferred embodiment, the coupon exchange coupons are only valid at the retail sales store in which they are issued . . . ." *Schulze* at col. 2, ll. 65-67 (emphasis added). Thus, in this embodiment, *Schulze* does not disclose "analyzing a group of merchants . . . to identify a merchant for associating with a partnership check," as recited in independent claim 1. Instead, *Schulze* discloses that the coupon exchange coupons are only valid with a *single merchant* -- the one in which the coupon exchange coupons are issued.

In another apparent embodiment, *Schulze* discloses that "since the coupon exchange coupon 32 can be encoded such that they are valid for only predetermined business locations, a manufacturer or service provider can easily limit the exchange of coupon exchange coupons 40 to, for example, retail outlets in a particular geographical region." *Id.* at col. 18, ll. 34-39 (emphasis added). Thus, in this embodiment, *Schulze* also fails to disclose "analyzing a group of merchants . . . to identify a merchant for associating with a partnership check," as recited in independent claim 1. Rather, *Schulze* encodes the coupon exchange coupons so that

they are valid for an unspecified number of predetermined business locations in a particular geographic region.

Accordingly, *Schulze* cannot teach "analyzing a group of merchants . . . to identify a merchant for associating with a partnership check," as recited in independent claim 1 (emphasis added).

Claim 22, although of different scope, includes recitations similar to those of claim 1. For instance, claim 22 recites, *inter alia*, "means for analyzing a group of merchants . . . to identify a merchant for associating with a partnership check." As explained above in connection with claim 1, *Schulze* fails to teach "analyzing a group of merchants . . . to identify a merchant for associating with a partnership check," as recited in independent claim 1. Thus, for at least the same reasons as discussed above with respect to claim 1, *Schulze* also fails to teach at least each and every recitation of claim 22.

Accordingly, the cited art does not support the rejection of independent claims 1 and 22 under 35 U.S.C. § 102(b). Therefore, Applicants request the rejection of independent claims 1 and 22 under 35 U.S.C. § 102(b) be withdrawn, and the claims allowed.

Claims 2-9 and 23-26 depend from independent claims 1 and 22, respectively. Accordingly, for at least the same reasons set forth in connection with their independent claims, the cited art fails to teach the recitations of claims 2-9 and 23-26. Therefore, the rejection of these dependent claims is legally deficient, should be withdrawn, and the claims allowed.

**B. Claims 13-16**

With respect to amended independent claim 13, *Schulze* fails to teach, *inter alia*, "forming a value sharing relationship between the issuer and at least one merchant." Instead, *Schulze* discloses that the "coupon redemption system of the present invention is useful in performing an intermediary role between coupon distributors, retailers and consumers." *Id.* at col. 1, ll. 65-67 (emphasis added). In its role as intermediary, the coupon redemption system serves to "allow a retailer of the product or service to redeem the coupon exchange coupons 40 without using the retailer's funds." *Id.* at col. 18, ll. 28-30.

Applicants' specification states that "[a]s used herein, the term [value sharing relationship] refers to any relationship structured between one or more issuers and merchants for issuing [partnership checks] to customers and sharing in the value or return related to issuance and/or use of those [partnership checks]." Specification, ¶ 0024. Thus, while *Schulze* discloses a merchant that "redeem[s] the coupon exchange coupons 40 without using the retailer's funds," *Schulze* does not disclose "forming a value sharing relationship between the issuer and at least one merchant," as recited in Applicants' amended independent claim 13. *Id.* at col. 18, ll. 28-30.

For example, *Schulze* discloses "[o]nce all products for a consumer transaction have been scanned by the product bar code scanner 56 (FIG. 1), and all coupon exchange coupons 40 for this transaction have been entered . . . then an operator interacts with an operator interface unit 256 for initiating the activation of a program to determine the amount of each check 48 to be printed and presented to the consumer." *Id.* at col. 9, ll. 57-63. "[I]t is noteworthy as an important aspect of the present

invention that the checks 48 do not have the retail sales store 24 as the payor. Instead, the checks 48 are drawn on an account specific to the enterprise operating the coupon exchange system 20." *Id.* at col. 10, ll. 18-22. Thus, *Schulze* merely relieves the retailer from the "substantial delay between the acceptance of coupons for redemption and when the retailer is compensated for the coupons accepted" and the "cost overhead in handling redeemed coupons incurred by the retailer," shifting these burdens instead to the enterprise operating the coupon exchange system. *Id.* at col. 1, ll. 41-47. Such a teaching does not constitute "forming a value sharing relationship between the issuer and at least one merchant," as recited in Applicants' amended independent claim 13.

Accordingly, the cited art does not support the rejection of claim 13 under 35 U.S.C. § 102(b). Therefore, Applicants request the rejection of claim 13 under 35 U.S.C. § 102(b) be withdrawn, and the claim allowed.

Claims 14-16 depend from independent claim 13. For at least the same reasons set forth in connection with independent claim 13, the rejection of claims 14-16 are legally deficient, should be withdrawn, and the claims allowed.

**C. Claims 18-21**

*Schulze* fails to teach, *inter alia*, "generating a list of prospective merchants," as recited in independent claim 18. The Examiner admits that *Schulze* fails to teach this recitation, and instead alleges that "generating a list of prospective merchants' is inherent." Office Action at page 3. However, the Office Action fails to provide a basis in fact or technical reasoning to support an inherency determination. *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990).

To show inherency, the Examiner must provide rationale or evidence to support the assertion that a recitation is inherent. "To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.'" *In re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999); *See also M.P.E.P.* § 2112.

In this case, the Examiner has not provided any rationale or evidence to support the position that generating a list of prospective merchants is inherent. Indeed, *Schulze* does not generate a list of prospective merchants and thus cannot support the rejection of claim 18.

Accordingly, the cited art does not support the rejection of independent claim 18 under 35 U.S.C. § 102(b). Therefore, Applicants request the rejection of independent claim 18 under 35 U.S.C. § 102(b) be withdrawn, and the claim allowed.

Claims 19-21 depend from independent claim 18. As explained, *Schulze* fails to support the rejection of claim 18. Accordingly, for at least the same reasons set forth in connection with independent claim 18, the rejection of claims 19-21 are also legally deficient, should be withdrawn, and the claims allowed.

## **II. Rejection Under 35 U.S.C. § 103(a)**

The Examiner rejects claims 10, 11, and 17 under 35 U.S.C. § 103(a) as being unpatentable over *Schulze*. To support this position, the Examiner takes Official Notice. *See Office Action* at page 3. As explained below, Applicants traverse the

taking of Official Notice in the Office Action and respectfully request the Examiner to provide authority to support the Examiner's position.

A general allegation that something may be "well known" is not sufficient to support a taking of Official Notice. "[T]he basis for [the examiner's] reasoning must be set forth explicitly. The examiner must provide specific factual findings predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge." See [*In re Soli*, 317 F.2d 941, 137 U.S.P.Q. 797 (CCPA 1963)], 317 F.2d at 946, 37 USPQ at 801; [*In re Chevenard*, 139 F.2d 711, 60 U.S.P.Q. 239 (CCPA 1943)], 139 F.2d at 713, 60 USPQ at 241. "The applicant should be presented with the explicit basis on which the examiner regards the matter as subject to official notice and be allowed to challenge the assertion in the next reply after the Office action in which the common knowledge statement was made." *M.P.E.P.* § 2144.03(B).

The Office Action takes Official Notice alleging that "inserts (claims 10 and 17) with the mailed coupon/check and an incentive chosen so as to maximize profit (claim 11) . . . were in common use, and therefore obvious to one of ordinary skill in the art, at the time of the instant invention." Office Action at page 3. However, in rejecting these claims, the Office Action does not address other claim recitations and further fails to provide any reasoning as to why an artisan would have found the claimed invention to have been obvious in light of the teachings of *Schulze*. Such conjecture is not sufficient to establish a *prima facie* case of obviousness.

Moreover, although the Office Action indicates that claims 10, 11, and 17 are rejected under 35 U.S.C. § 103(a) as being unpatentable over *Schulze*, the Office Action does not address all the recitations found in these claims. Office Action at



page 3. Applicant respectfully notes that 37 C.F.R. § 1.104(c) requires that the Office Action provide more than an unsupported assertion that a reference discloses the subject matter recited in a rejected claim. In particular, "[w]hen a reference is complex or shows or describes inventions other than that claimed by Applicant, the particular part relied on must be designated as nearly as practicable," and further, "[t]he pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified." 37 C.F.R. § 1.104(c)(2).

In this case, not only is the reference asserted by the Office Action complex, describing many different embodiments, the Office Action fails to assert how the reference purportedly discloses the recitations of dependent claims 10, 11, and 17. As such, the rejection of dependent claims 10, 11, and 17 under 35 U.S.C. § 103(a) does not meet the requirements of 37 C.F.R. § 1.104, and thus is improper for at least this reason. Further, to establish *prima facie* obviousness under 35 U.S.C. § 103(a), the Office Action must show, *inter alia*, that the applied reference teaches each and every element recited in the claims. *M.P.E.P.* § 2143. Here, by ignoring the recitations of claims 10, 11, and 17, the Office Action has failed to show how the cited art purportedly discloses the recitations of these claims. Specifically, the Office Action has failed to show how *Schulze* discloses "sending informative inserts to the set of customers with the partnership check," as recited in dependent claim 10. In addition, the Office Action has failed to show how *Schulze* discloses "providing an economic incentive with the partnership check for customers that use the partnership check, wherein the type of economic incentive is determined based on maximizing profit for an issuer of the partnership check and the merchant," as recited in dependent claim

11. Moreover, the Office Action has failed to show how *Schulze* discloses "sending partnership checks to customer with information material," as recited in dependent claim 17. Thus, the rejection of dependent claims 10, 11, and 17 does not meet the requirements of at least *M.P.E.P.* § 2143 and 35 U.S.C. § 103(a), and is therefore legally improper.

In addition, as noted above, *Schulze* does not teach or suggest "analyzing a group of merchants based on a set of merchant qualification criteria," as recited in claim 1, from which claims 10 and 11 depend, and "forming a value sharing relationship with at least one merchant," as recited in claim 13, from which claim 17 depends.

For at least these reasons, *Schulze* does not teach or suggest all the elements of Applicants' dependent claims 10, 11, and 17. Therefore, Applicants respectfully request withdrawal of the rejections under 35 U.S.C. § 103(a), and the allowance of claim 10, 11, and 17.

### III. Conclusion

In view of the foregoing amendments and remarks, Applicants respectfully request the reconsideration and reexamination of this application and the timely allowance of the pending claims.

The Office Action contains a number of statements reflecting characterizations of the related art and the claims. Regardless of whether any such statement is identified herein, Applicants do not automatically subscribe to any statement or characterization in the Office Action.

Please grant any extensions of time required to enter this response and charge any additional required fees to our Deposit Account No. 06-0916.

Respectfully submitted,

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